

Per California Code of Regulations, title 2, section 548.5, the following information will be posted to CalHR's Career Executive Assignment Action Proposals website for 30 calendar days when departments propose new CEA concepts or major revisions to existing CEA concepts. Presence of the department-submitted CEA Action Proposal information on CalHR's website does not indicate CalHR support for the proposal.

A. GENERAL INFORMATION

1. Date

02/23/16

2. Department

Board of Equalization

3. Organizational Placement (Division/Branch/Office Name)

Financial Management Division

4. CEA Position Title

Chief, Financial Management Division

5. Summary of proposed position description and how it relates to the program's mission or purpose. (2-3 sentences)

The Board of Equalization proposes to revise the above CEA allocation. The Chief, Financial Management Division, is the fiscal advisor to executive management and is responsible for the overall administration of the Financial Management Division, comprised of the Accounting, Tax Revenue Branches and Local Revenue Allocation Unit. Responsible for strategic planning and policy leadership regarding the BOE fiscal matters, including analyzing, monitoring, and recommending changes in fiscal policy and operations.

6. Reports to: (Class Title/Level)

Deputy Director (CEA B), Administration Department

7. Relationship with Department Director (Select one)

- Member of department's Executive Management Team, and has frequent contact with director on a wide range of department-wide issues.
- Not a member of department's Executive Management Team but has frequent contact with the Executive Management Team on policy issues.

(Explain): Managerial level is third in the organization. This position serves as the Chief, Financial Management Division and has regular and frequent contact with the Executive Management Team on policy issues but is not part of the Executive Management Team.

8. Organizational Level (Select one)

- 1st
- 2nd
- 3rd
- 4th
- 5th (mega departments only - 17,001+ allocated positions)

B. SUMMARY OF REQUEST

9. What are the duties and responsibilities of the CEA position? Be specific and provide examples.

Responsible for overall strategic planning, policy and operations of a large, complex revenue accounting and fund allocation and distribution process related to over 30 tax and fee programs that provide approximately \$60 billion in revenue to State and Local Government programs. Advises management on fiscal strategic plans and policy; makes recommendations to the Board Members, Executive Director, and executive management regarding agency wide fiscal strategies and policies, programs, procedures, and operations.

Responsible for the overall development and implementation of fiscal-related accounting policies and procedures for the agency. Responsible for the accountability of fiscal information provided to the Department of Finance, Legislative Analyst's Office, State Controller's Office, and State Treasurer's Office for use in Statewide revenue forecasting, cash flow analysis, investment strategies, and retirement of public debt. Responsible for timely, accurate, and complete annual financial statements in accordance with governmental practices and procedures.

Responsible for overall management and efficiency of BOE's tax return processing and taxpayer files. Responsible for strategic planning, policy and operations in processing of tax returns and associated revenue, and in the management of the BOE's Imaging and Mail Processing Center.

Responsible for the allocation and distribution of local and district taxes including validating and assigning tax area codes to new localities, maintaining custodial tax agreements with localities, administering payments to jurisdictions, representing the Board as a liaison with local governments, processing returns and payments, preparing billings and adjustments and performing registration and security maintenance functions. Responsible for allocating the distribution of revenue to localities including the application of Bradley-Burns local revenue and Special Taxing Jurisdictions.

B. SUMMARY OF REQUEST (continued)

10. How critical is the program's mission or purpose to the department's mission as a whole? Include a description of the degree to which the program is critical to the department's mission.

- Program is directly related to department's primary mission and is critical to achieving the department's goals.
- Program is indirectly related to department's primary mission.
- Program plays a supporting role in achieving department's mission (i.e., budget, personnel, other admin functions).

Description: Financial Management Division is responsible for ensuring all revenue collected by the Board of Equalization's over 30 tax and fee programs is captured, processed and allocated to the appropriate funds. These funds are used to support State and Local programs and infrastructure.

B. SUMMARY OF REQUEST (continued)

11. Describe what has changed that makes this request necessary. Explain how the change justifies the current request. Be specific and provide examples.

The Board of Equalization (BOE) is proposing to realign the responsibilities between two divisions within the Administration Department. The two CEA positions involved serve as Chiefs for the Financial Management Division and Business Management Division (formerly known as the Administrative Support Division); currently both positions are designated at level A and are vacant.

The Financial Management Division currently consists of the Accounting, Budget, and Tax Revenue Branches. This request includes the redirection of the Budget Branch to the Business Management Division. In addition, the Local Revenue Allocation Unit (LRAU) will be redirected from the Headquarters Operations Division, Sales and Use Tax Department, to the Financial Management Division.

As a result of the State Controller's Office, Internal Accounting and Administrative controls review, it identified that the financial management of specific funds, accounts receivable, and the apportionment and allocation processes have material internal control weaknesses. Consequently, the Board of Equalization's Executive Management decided it was necessary to have a stronger and more focused oversight over the Accounting Branch within the Financial Management Division. This decision necessitated the redirection of the Budget Branch from the Financial Management Division to report directly to the CEA responsible for the newly named Business Management Division.

The LRAU is responsible for the allocation and distribution of all sales and use taxes collected that are subject to the Bradley-Burns Local tax and all Special Taxing Jurisdictions. This unit calculates the budgeted costs for BOE's effort to collect State and Local Government sales tax. The local Sales taxes include the Cities and Counties tax, the County Transportation tax, the Local Revenue Fund tax, the Public Safety Fund tax, and Special District taxes. This unit is responsible for determining the assessment associated with each of the tax entities. Also, this unit provides subject matter expertise, calculates actual costs and deals directly with Board management, staff attorneys, the Legislative Analyst, the Department of Finance, and representatives of local government entities. Duties include, but are not limited to, preparing advance calculations, reconciling quarterly payments to jurisdictions, computing administrative fees, implementing newly imposed Special Taxing Jurisdictions, following up on missing warrants and late or missing bank deposits, working with localities and consultants to ensure the funding allocation is correct, and preparing monthly allocation and registration data files.

The Accounting Branch and LRAU are both involved in the reconciliation of cash receipts to amounts reported from the Department of Motor Vehicles (DMV) and the Franchise Tax Board (FTB). This has been a challenge due to different report formats received from outside agencies and reliance on journal entries. SCO receives DMV and FTB money and provides the Accounting Branch and the LRAU with the journal entries that identify the revenue accounts for the cash receipts. The LRAU verifies the daily DMV paper transmittal matches the journal entry in Integrated Revenue Information System (IRIS). IRIS creates the DMV FAC 510 and FTB FAC 511 monthly reports which Accounting uses to post journal entries to the Accounting database. The database creates the monthly General Ledger Journal Entry that Accounting posts.

This request will ensure effective and efficient management of approximately \$60 billion in tax and fee revenue and is consistent with the mission of the BOE to administer agency tax programs while adhering to the BOE's core values of fairness, effectiveness, and efficiency.

C. ROLE IN POLICY INFLUENCE

12. Provide 3-5 specific examples of policy areas over which the CEA position will be the principle policy maker. Each example should cite a policy that would have an identifiable impact. Include a description of the statewide impact of the assigned program.

The Chief, Financial Management Division formulates, recommends and administers Board policies in relation to the Division's functions. Develops effective staff operations, and determines strategies to meet the future needs of the Board in these program areas. The position is responsible to plan, direct, evaluate, manage, and establish priorities for the Division programs.

Consults with and provides expert fiscal management consultation and technical advice to constitutionally elected Board Members, the Executive Director and Executive Staff. Develops and recommends department-wide policy for the Division's program areas to support and facilitate accomplishment of the Board's primary mission and strategic goals.

Responsible for establishing policies relative to the capture, processing and allocation of revenue for over 30 tax and fee programs as well as policy relative to day to day accounting work including the office of revolving fund. Specific policy examples are as follows:

Application of Generally Accepted Accounting Principles including Governmental Accounting Standards Board and the State Administrative Manual to BOE operations. Such policy includes the up keep of the BOE Travel Guide, keeping employees informed of Office of Revolving Fund provisions and developing policy on appropriate methodologies to use in the capture, processing and reporting of revenue for over 30 tax and fee programs. Without appropriate policies in place revenue allocations used to support vital programs and infrastructure could be impacted as well as inefficiencies in managing fund distributions and budgeted resources.

C. ROLE IN POLICY INFLUENCE (continued)

13. What is the CEA position's scope and nature of decision-making authority?

The Chief, FMD, is the fiscal advisor to executive management and is responsible for the overall administration of the Financial Management Division, comprised of the Accounting Branch, Tax Revenue Branch and the Local Revenue Allocation Unit. This includes direct and indirect supervision of approximately 258 professional and administrative staff. The Chief is responsible for strategic planning and policy leadership regarding the BOE fiscal matters, including analyzing, monitoring, and recommending changes in fiscal policy and operations; acts as liaison for the Board with other state and local agencies on fiscal issues; provides fiscal information relating to the impact of legislation to elected officials and executive management; responsible for providing fiscal information to control agencies and localities for revenue forecasting and analysis of cash flow; maintains cooperative relations with the Legislature and control agencies relating to the Board's critical programs.

14. Will the CEA position be developing and implementing new policy, or interpreting and implementing existing policy? How?

The position is responsible for setting policy in a variety of program functions, including cost analysis, program expenditure/cash flow analysis, and financial analysis and revenue reporting.